

towards2030

towards2030-dialogue

Dialogue on a RES policy framework for 2030



Fabio Genoese (CEPS)

Email: fabio.genoese@ceps.eu



Core objective

- Facilitate and guide the RES policy dialogue for the period towards 2030
- Intense stakeholder dialogue that establishes a European vision of a joint future RES policy framework

Main outputs / results

towards2030-dialogue aims to provide:

- Contribute to EU 2030 climate & energy *package* debate
- Analysis of policy pathways towards 2030, such as the (partial) opening of national support systems
- Clustering of regional support systems as well as options to coordinate and align national systems
- Impact assessment of different governance & effort sharing options for 2030

Project coordination:

Energy Economics Group (EEG)
Vienna University of Technology
Dr. Gustav Resch (resch@eeg.tuwien.ac.at)

Contact:

Web: www.towards2030.eu
Email: contact@towards2030.eu





towards2030-dialogue provides opportunities to...

- Launch and guide an intense stakeholder dialogue on the RES policy framework for 2030
- Contribute to the design and implementation of suitable RES policy pathways towards 2030
- Provide insights on and solutions for the establishment of 2030 (RES) targets
- Increase awareness related to consistency in RES policy with energy & climate policy making



Past events

October 2014, CEPS, Brussels:

- **How can renewables and energy efficiency improve gas security?**

March 2015, CEPS, Brussels:

- **Implementing the EU 2030 climate & energy framework – a closer look at renewables**

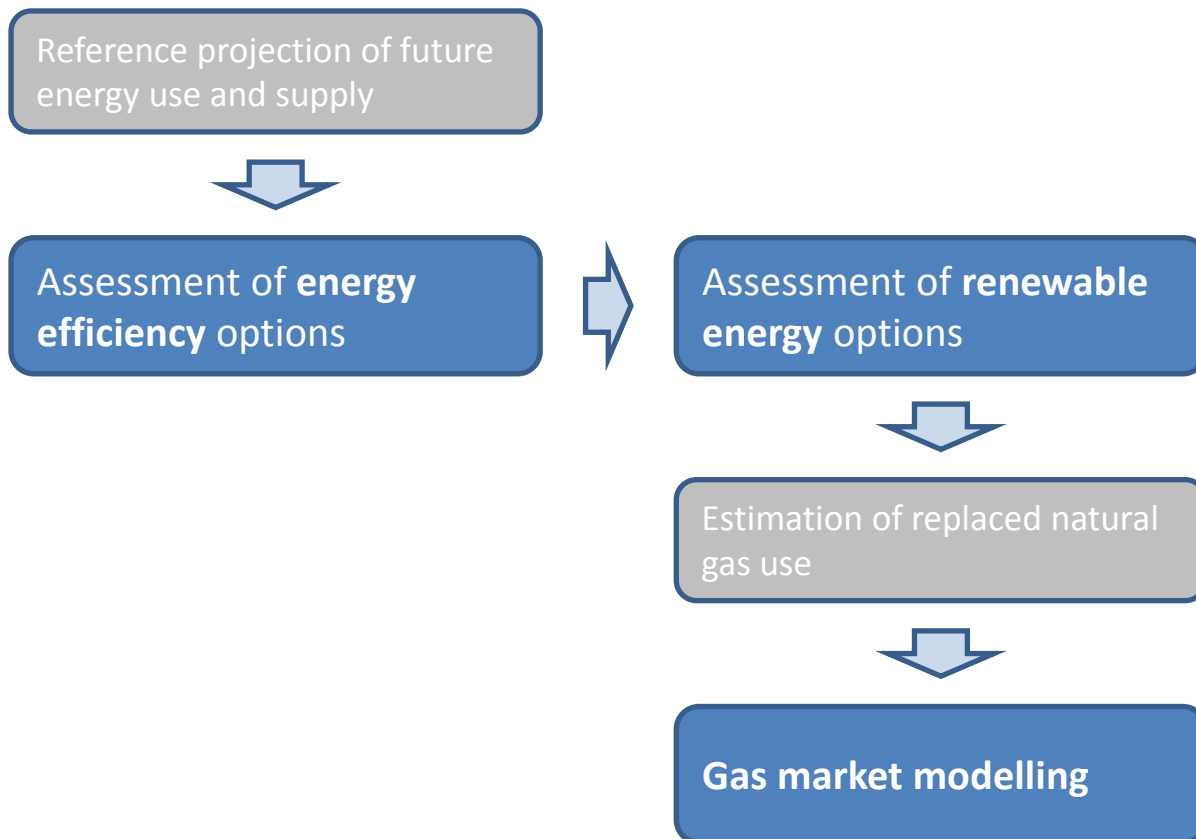
Next events

- **12 May 2015, Berlin:**
(RES) policy challenges & policy pathways

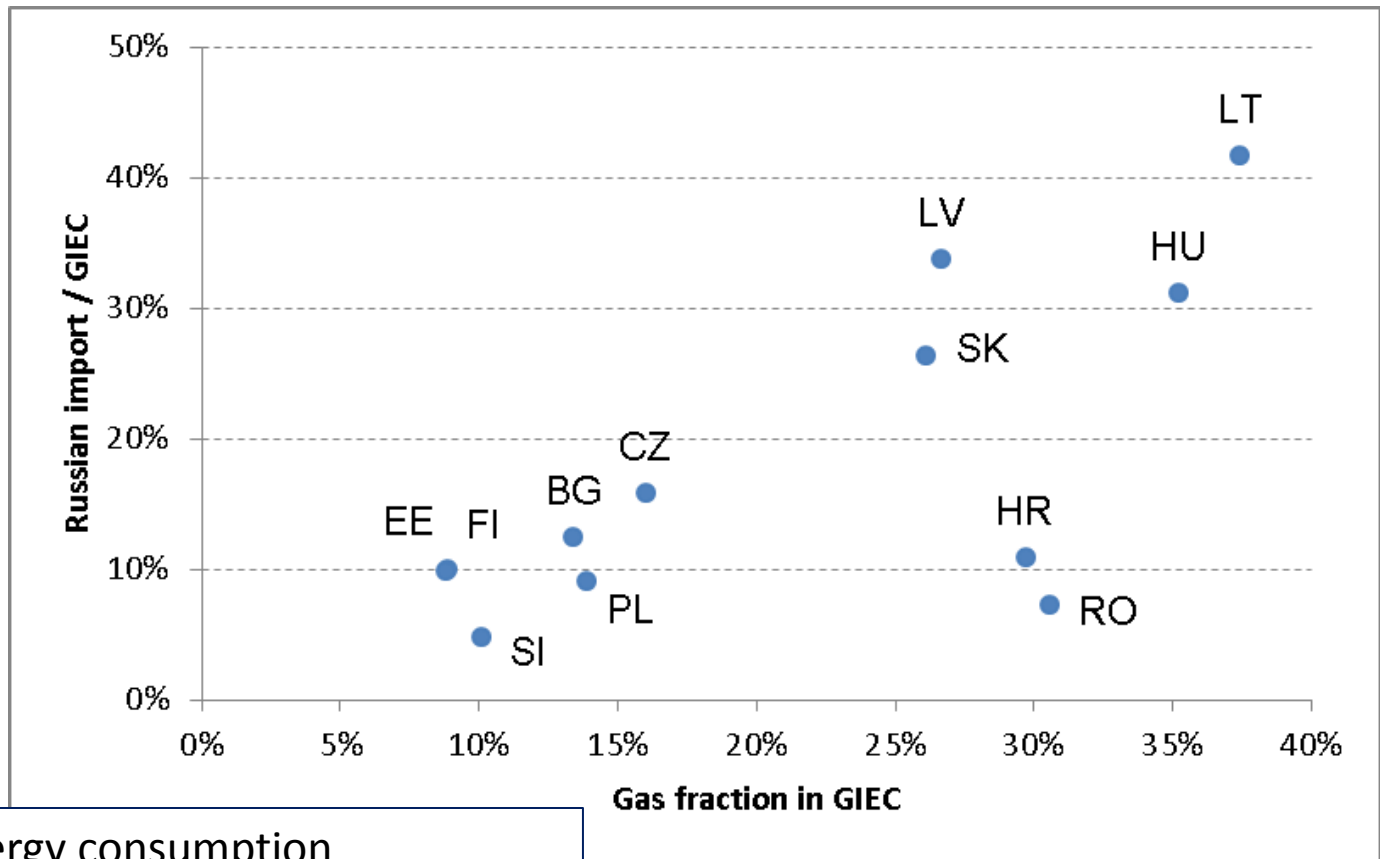


1st Workshop in Oct '14: Gas Security

Our assessment: What can renewables and energy efficiency contribute to improving gas security in selected Member States?



Which EU member states were covered in the assessment?



GIEC: gross internal energy consumption
 Right side: high importance of gas for economy
 Upper side: strong dependence on Russian imports

Key results

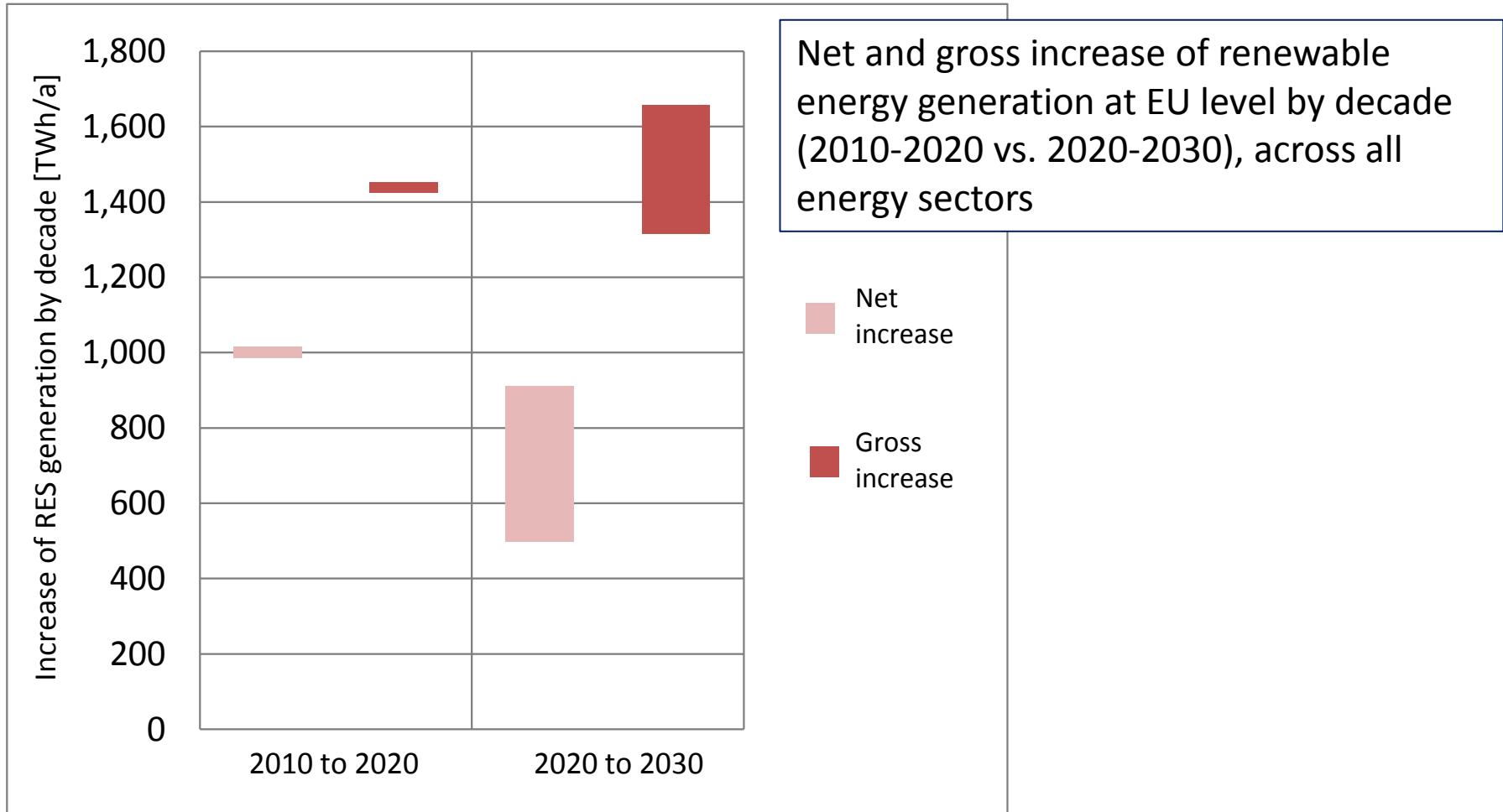
- PCI and reverse flow project implementation is key to improve gas supply security for most vulnerable member states
- Combined efficiency, renewables and infrastructure policies put significant pressure on gas suppliers of over-contracted EU
 - 14% reduction of gas demand by 30% efficiency target
 - additional 6% reduction of gas demand by 30% renewables target
- Even limited cooperation and renegotiation might save a third of Russian imports and EU gas bill

2nd Workshop in Mar '15: Implementing the 2030 framework

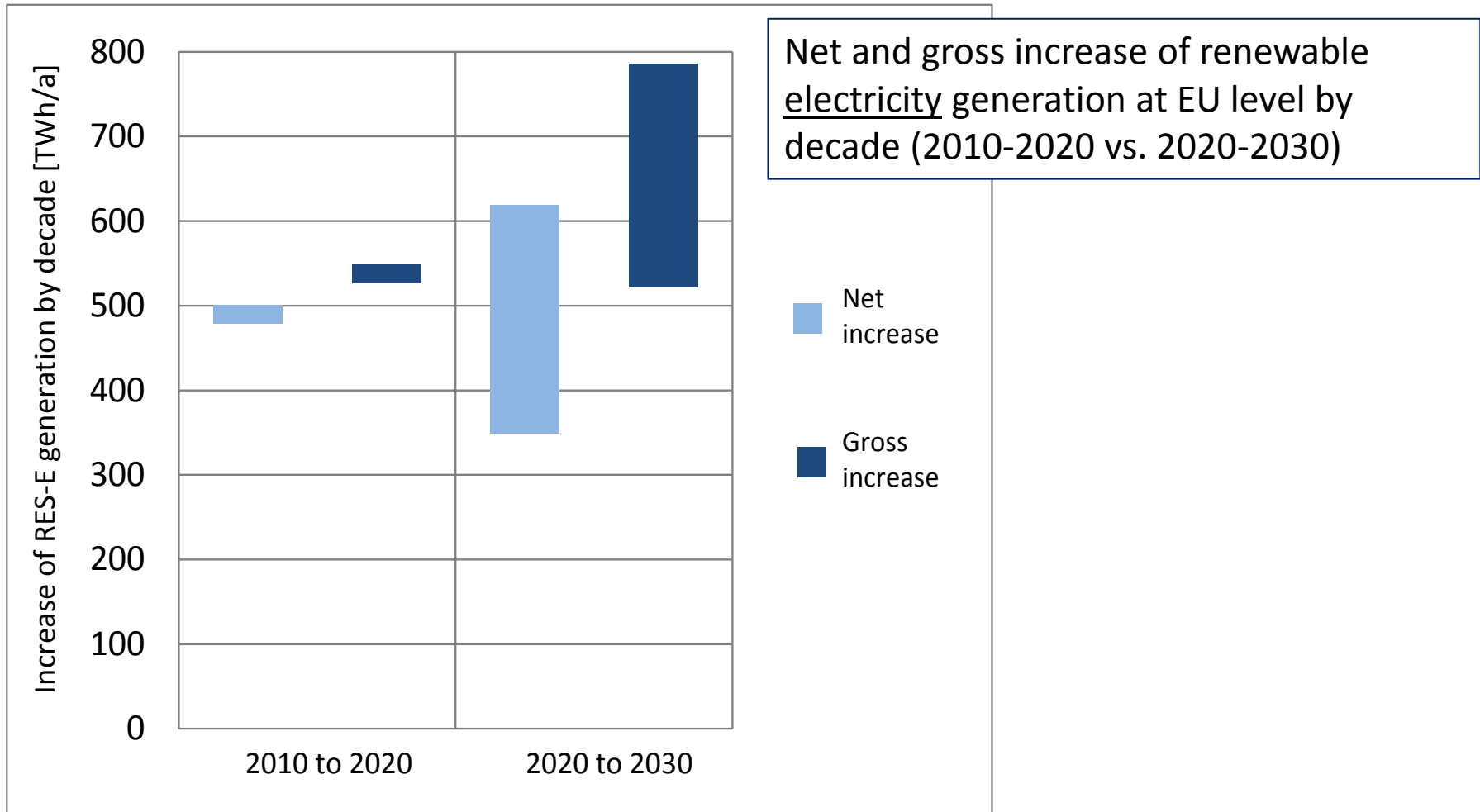
The 2030 framework is not a package (yet)

- “2030 Climate and Energy Policy Framework” adopted by European Council on 23/24 October 2014
- Framework raises several practical questions that need to be addressed in upcoming legislative process, specifically regarding renewables
- Main questions for renewables policy:
 - Is there a need for dedicated support?
 - How to ensure legally binding character of EU-target in absence of binding national commitments?
 - How to share the overall 27% among single EU member states or groups of EU member states?

Ambition level of EU 2030 target: net vs. gross increase (power, heat, transport)



Ambition level of EU 2030 target: net vs. gross increase (power sector only)



Moderate support required

- The ambition level of a 27% target should not be underestimated due to the need for replacement of renewable energy installations deployed before 2010
 - Considering the uncertainty regarding future power and carbon prices, moderate support will be needed to provide sufficient investment security for renewable energy technologies
- **Moderate but dedicated support for renewables will be required to reach the 2030 target of 27% renewables**

Sharing the effort: how to break down the EU-wide target?

How to share the effort? Bottom-up vs. top-down approaches

- It is currently not clear how individual EU member states can or should contribute to the EU-wide 2030 target for renewables.
- In principle, the EU-wide target can be allocated to smaller regional entities either via a **top-down** or **bottom-up** approach:
 - In the **top-down** case, the European Commission would follow a predetermined allocation formula and set individual national targets accordingly.
 - In the **bottom-up** case, EU member states would pledge their planned contribution.

Benchmarks as a way forward

To better guide the pledging procedure, **the European Commission should provide a first benchmark** on regional or national targets.

EU member states or regions could then put pledges forward specifying a higher or a lower target than proposed in the benchmark.

Major benefits of combining national or regional pledges with an initial top-down benchmark include **a first quantitative indication for a potential national or regional target** than can help structuring the pledging process.

In addition, **extremely low pledges may be avoided** by publicly comparing the pledged target with the benchmarking.

One possible benchmark: the allocation logic of the 2020 target

The allocation logic of the 2020 target is laid down in Directive 2009/28/EC. It combines ...

- a **flat-rate increase**, where each member state has to increase its share of renewables by a fixed number of percentage points,
- with an **increase based on the economic strength** of a member state, measured in terms of GDP per capita,
- as well as **efforts made in the past**.

Other aspects such as the *potential availability of renewable resources* and *related costs* are not taken into account though.

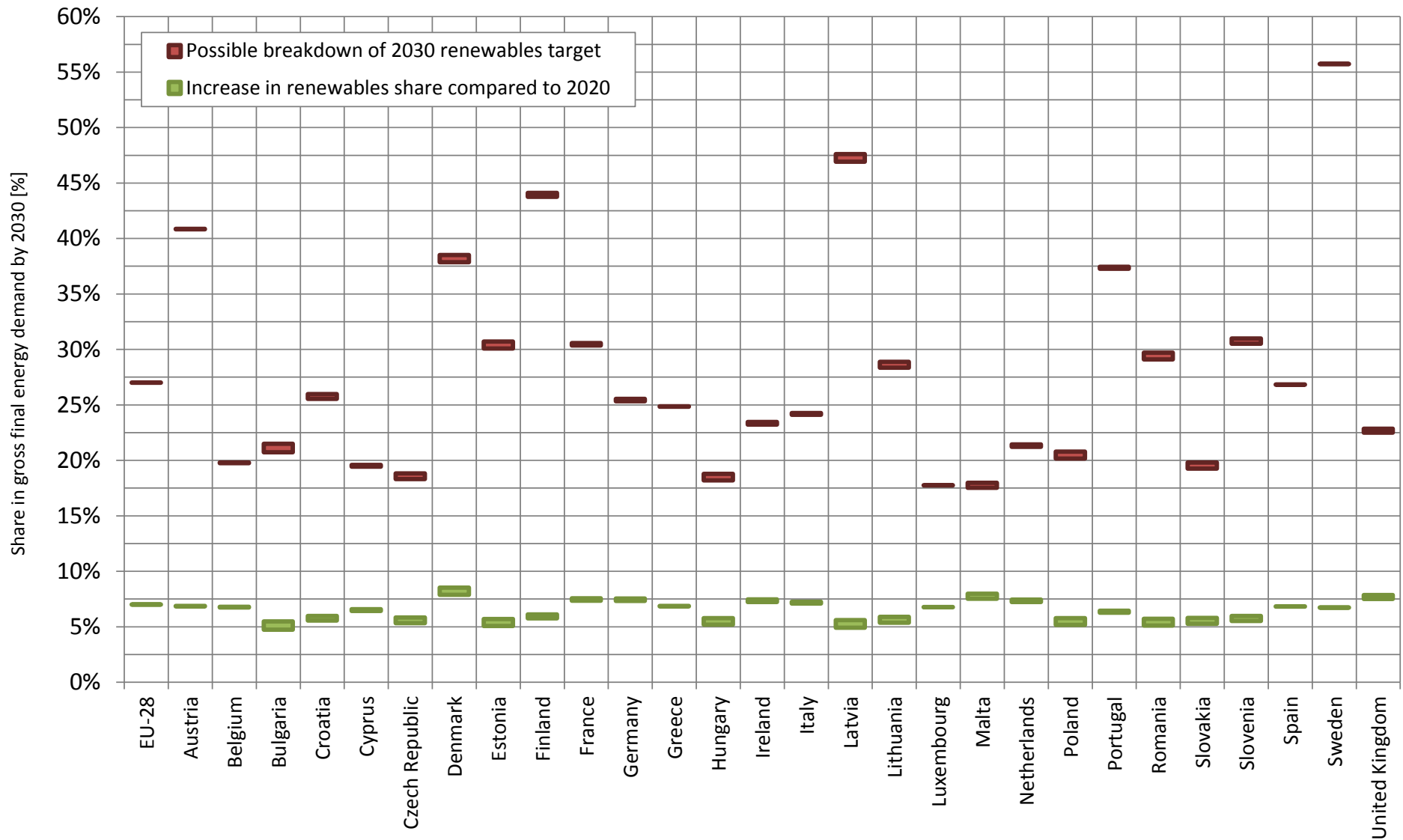


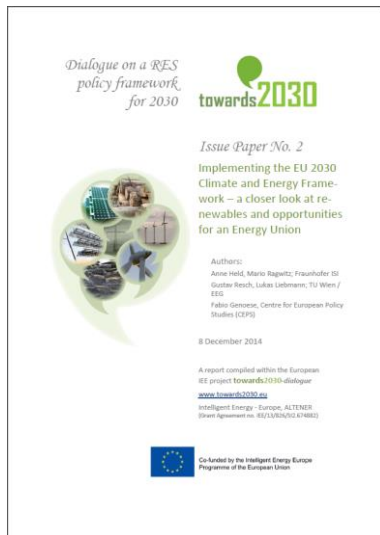
Figure: Allocation of the EU-wide 27% renewable energy target for 2030 to individual member states, applying the 2020 methodology of the European Commission for effort sharing (Source: own assessment based on PRIMES scenarios)

Further material is online

Issue papers

- #1 Gas security through efficiency and renewables: tinyurl.com/l25fybn
- #2 Implementing the 2030 framework: tinyurl.com/lkbrxm9

Interested in further background information?



→ www.towards2030.eu



Interested in the dialogue process?

→ <http://platform.towards2030.eu>

